

Approved 09/13/2016
Amended 03/28/17



VILLAGE OF LONG GROVE, IL HISTORIC BUSINESS DISTRICT DEVELOPMENT INCENTIVE PROGRAM

Objective:

To encourage private investment within the Historic Business District (HBD) for the specific improvement of properties, to attract and maintain businesses that will increase village retail sales tax income, and create a vibrant business community.

Eligibility:

- All Properties in B1 Zoning District (HBD) Note: Archer and Triangle properties not included.
- Property owners, business owners or both depending on which party invests in the improvement.
- Rehabilitation, reconstruction or remodeling of existing privately owned buildings.
- Completed projects must fully comply with Village codes for property, building and use

Guidelines (TIF ends 2031):

- Board approval of specific projects prior to expenditure of funds required
- Project size must be greater than \$40,000
- Permits for Building improvements must be obtained by Dec. 31, 2017
- Building improvements must be completed by July 31, 2018
- Only one reimbursement incentive per building (i.e., either one incremental property tax Incentive Agreement, one increased sales tax Incentive Agreement, or one set of Incentive Agreements based on incremental property taxes and increased sales taxes subject to the \$100,000 maximum reimbursement). Reimbursement is transferable to new property owner or business.

Reimbursement Criteria.

- Up to 50% of project costs reimbursed (maximum reimbursement \$100,000)
- Reimbursement drawn from incremental (TIF) property taxes &/or 50% increased sales tax for project properties.
- Reimbursement ends December 2031 coinciding with termination of the TIF
- Reimbursement from **Sales tax** will be 50% of annual increased sales tax (2016 base year).
- Reimbursement from **TIF Property tax** will only be made after the equalized assessed valuation (EAV) of the property exceeds either:
 - (i) the EAV as of the date of the Incentive Agreement, and
 - (ii) the EAV of the property as used for calculating incremental property taxes in the Village's Tax Increment Financing (TIF) District, whichever is greater (the (Base EAV)).

Details: Reimbursements for this incentive program are property specific and are paid from the increase in the TIF real estate taxes and/or 50% of the increased sales taxes generated by the specific property during the life of the program.

Property Tax Rebate. The Village of Long Grove does not levy a municipal property tax, however, the 23-year TIF District established in 2008 provides the ability for the Village to capture increases in property taxes from the growth in EAV during the life of the TIF. The program provides property owners the potential to be reimbursed up to 50% of the cost of improvements made to their property and buildings by the increased TIF property taxes received by the Village from their property as a result of an increased EAV. The reimbursements are made from a portion of the incremental tax revenues generated by a property after the incentive agreement is in force, measured from the property's growth in EAV over the Base EAV. Reimbursements continue during the life of the TIF.

Sales Tax Rebate. The Village of Long Grove receives 1% of the Illinois state retail sales taxes collected from the Historic Downtown. The program pays reimbursements from 50% of the annual increase in Illinois state retail sales taxes (2016 base year) produced by retail businesses. Downtown property owners are eligible for the program as an incentive to attract new retail businesses and payments are rebated to property owners or business owners within 90 days after Village receipt of the certified sales tax reports from the business or from the reports from the State of Illinois.